Small Business Acquisition & Sustainment Tool (SbAST)

WR-ALC/PK

SbAST

3rd Informati on Exchange

14 Jan 2009

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WR-ALC/PKE

Overview

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Current as of Jan 09

Milestones

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- Request for Information completed (16 Nov 07)
- Risk Assessment Workshop held (31 Jan 08)
- Market Research Report completed (11 Aug 08)
- Initial ACE strategy session conducted (25 Aug 08)
- ***Drafts*** completed and posted (12 Sept 08)
  - PWS
  - Minimum Capabilities Matrix
  - C-130 Ground Handling Equipment List
- Information Exchanges
  - 20 Oct 08
  - 20 Nov 08 (Requirements Symposium)

From This Point Forward

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Program Details

Things We Know

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- Type of Contract
  - SB Set-Aside (NAICS code 336411)
  - Multiple Award Contract
  - Indefinite Delivery - Indefinite Quantity (ID/IQ)
- WR-ALC ***Only*** Contract
- $507M Ceiling
- TA-PPT Source Selection
- FP, T&M, LH, and CR Pricing Arrangements
- Intend to Award Approximately 5 Contracts
  - Reserve the right to award more or fewer

Program Details
Things We Know (cont)
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- Categories of Work
  - Modifications/Upgrades/Enhancements (M/U/E)
  - Maintenance/Repair (M/R)
  - Services
    - Non-severable
      - As related to M/U/E and M/R
  - Spares and Repairs
    - Critical, limited and/or contingency
  - M/U/E and/or M/R apply to existing Air Force (AF) operated systems, sub-systems, or components, not in new development

Program Details

Things In Work

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- 5 Year Ordering Period
  - 3 Yr Basic
  - 2 Yr Option
- 7 Year Period of Performance (PoP)
- 60 day RFP response time
- Past performance will be required from primes and subcontractors

Program Details

Small Business Set-Aside

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- Prime Contractor Must Perform at Least 50% of the Effort over the Basic Contract Period and the Option Period (FAR 52.219-14; 13 CFR 125.6)
  - Services
    - At least 50% of the contract cost for personnel must be performed by the prime contractor's own employees
  - Manufacturing
    - At least 50% of the cost of manufacturing, not including the cost of materials, must be done by the prime contractor
- Services or manufacturing determination will be made at order level based on

Program Details

Small Business Set-Aside (cont)

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- Joint Ventures
  - In order for the joint venture to be determined "small," all joint venture members must be "small" per applicable NAICS code
    - Only exception is SBA approved 8(a) mentor/protégé relationship where the mentor is part of the joint venture
  - If a joint venture member becomes "large" during the contract, the joint venture will be determined "large" unless that member is removed from the joint venture and becomes a subcontractor
  - See 13 CFR 121.103(h) and talk to SBA

Program Details

CCR Registration

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- Check CCR for ‘size’ status for NAICS code
  - If it’s not correct it is ***YOUR*** responsibility to ensure it is corrected
- All entities must have current CCR registration

Schedule

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- Major Milestones
  - Meeting with XR-ACE — Aug 08
  - Acq Plan, PWS, ASP Charts — Feb-May 09
  - ASP AFMC, AFPEO/CM — May 09
  - Final RFP — Jun 09
  - Receipt of Proposals — Aug 09
  - Award — Dec 09

Draft Schedule

Updates from LAST Information Exchange

PWS Services Summary

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- Performance Based IAW AFI 63-124
  - Performance-Based Work Statement (PWS)
  - Services Summary
    - Health and Safety Requirements
    - Prime required to perform at least 50% over basic contract period and option period
    - Incentives and option exercise will be tied to Services Summary elements

Technical Proposal Information

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- Technical volumes must include DCMA verification/validation of all facilities, processes, and ground handling equipment (per the Offeror's completed Minimum Capabilities Matrix and C-130 Ground Handling Equipment Listing)
- Every entity on a team (prime, joint venture member, or critical subcontractor) must be used in the Minimum Capabilities Matrix

Industry Feedback

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Question: Will EAD look at the socioeconomic categories of the businesses that bid SbAST?

Answer: No. This is a small business set-aside and will not be broken down to further socioeconomic categories.

Industry Feedback

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Question: What is the definition of “no surcharge”?

Answer: “No surcharge” means the EAD Office does not charge the requiring activity a fee for using the contract.

Industry Feedback

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Question: Provide clarification on the 50% rule for manufacturing. How do you ascertain what will be 50% of the manufacturing cost?

Answer: See Chart 9 above. Prime must perform at least 50% of the cost of manufacturing, not including the cost of materials.

Industry Feedback

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Question: Regarding teaming, are the 8 subs limited to small businesses only?

Answer: No. However, the amount and type of work proposed to be performed by a large business may result in the prime contractor being declared large by affiliation (ostensible subcontracting). If your completed Minimum Capabilities Matrix includes only a large business in any particular cell, the risk of being declared large by affiliation increases as the prime contractor must demonstrate that it can perform at least 50% of the work.

See following charts for SBA provided information. Contact **your** SBA District Office for further information regarding affiliation/ostensible subcontracting rules and determinations.

Ostensible subcontractors

- What is an ostensible subcontractor ?
  - A sub that performs primary and vital requirements of the contract or
  - A sub that the prime is unusually reliant upon
- How it is determined that such an arrangement exists?
  - The SBA uses a “Seven Factor” test to determine the size status of the prime/sub relationship (see chart 21)
- If it is determined such an arrangement exists, then what?
  - If an ostensible subcontracting arrangement does exist, the contracting officer must consider the size (number of employees) of both firms in determining if they meet the size standard for the procurement
  - If the combined size (number of employees) exceeds the standard, then the company would be considered a large business for the purpose of the current procurement

Ostensible subcontractors

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the Test

- The “ Seven Factor” test used by SBA includes the following:
  - Which party will be managing the contract?
  - Which party possesses the requisite background and expertise to carry out the contract?
  - What party pursued the contract award?
  - What degree of collaboration was there on the proposal effort?
  - Were the tasks allocated to be performed by each party or is there commingling of personnel and material?
  - What is the amount of work to be performed by each party?
  - Which party will perform the more complex and costly contract functions?

Ostensible subcontractors-concerns

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- In answering the seven questions, consider these items:
  - Review a breakdown of management and technical tasks with regard to which firm is performing the “primary and vital” portions of the work. The prime contractor must be doing the majority of the managerial and technical work.
  - The past performance of each vendor. The prime must have relevant experience in the area under consideration.
  - The allocation of key persons between the prime and subcontractor. Be alert to instances where key persons remain on staff with the subcontractor, especially if that company is the incumbent.
  - Which party pursued the award and degree of collaboration on the proposal.

Ostensible subcontractors-concerns (cont.)

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- Items of concern :
  - Whether the challenged concern identified the firms as a team
  - Whether the challenged concern is hiring now-large incumbent's project management team and subcontracting significant portions of the contract to the incumbent
  - Whether the challenged concern failed to identify discrete tasks each concern would perform
  - Whether the challenged concern lacks, and subcontractor possesses the qualifications relevant to the contract requirements
  - Whether a greater share of labor costs are borne by the ostensible subcontractor
  - Whether the challenged concern has inexperience in the primary and vital requirements of the solicitation
  - Whether the challenged firm plans to hire a substantial number of the incumbent's (and ostensible subcontractor's) employees
- These items can be "red flags" that an ostensible subcontractor arrangement exists

Ostensible Subcontractors

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- After doing the seven factor analysis:
  - In looking at the “totality of circumstances”, if it can be determined that the subcontractor is performing a significant portion of the work or if it can be determined that the prime contractor is not capable of doing the work independently, then an ostensible subcontractor arrangement exists
- If the contracting officer (PCO) considers the prime to be a large business because of ostensible subcontracting, the PCO must refer the matter to the SBA for a formal size determination

Industry Feedback

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Question: Initial teaming is limited to 9 (including the prime). How long after award can teammates be added?

Answer: Subcontractors may be added in the first 90 days after contract award, and then during the first quarter of each fiscal year thereafter. Subcontractors may be added "out of cycle" with Government approval.

Industry Feedback

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Question: This requirement is only tied to "NAICS code 336411 Aircraft Manufacturing 1,500 employees". This means to us, that if we do not have the capability to manufacture aircraft, we can not compete on this. I don't think that is the case. Could you help explain this?

Answer: An entity is not required to be registered under a specific NAICS Code in CCR in order to receive work under that NAICS Code. However, entities must meet the size standard of the designated NAICS code for any given requirement.

Industry Feedback

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Question: SbAST only addresses one of the areas pulled out of F²AST. What's happening in the other areas?

Answer: There is no new information available at this time.

Industry Feedback

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Question: When will L&M be released? It's needed to determine teaming.

Answer: L&M cannot be released until the acquisition plan has been approved.

Industry Feedback

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Question: How will DCMA be used by the government to verify Minimum Capabilities Matrix (MCM) compliance?

Answer: Offerors will be responsible for obtaining verification from their cognizant DCMA office for all capabilities identified in the offeror's Minimum Capabilities Matrix and C-130 Peculiar Ground Handling Equipment List, and providing that DCMA verification with the Offeror's technical proposal. For subcontractors, the subcontractors must obtain verification from their cognizant DCMA office and provide that to the prime contractor, who will provide it in the technical proposal.

Industry Feedback

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Question: Must the small business have all the equipment listed in the MCM?

Answer: No. However, they must show/prove that they have *access* to the equipment.

Industry Feedback

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Question: Is the 50% prime requirement applicable to the prime if all subs are small businesses?

Answer: Yes. The prime must be able to perform 50% of the work regardless of the size of the team. In a joint venture, the team is the prime.

Industry Feedback

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Question: Under a Joint Venture is 1,500 people the limit?

Answer: No. In a joint venture all team members must be small businesses that are under the 1500 person size limit.

Industry Feedback

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Question: Since this workload was removed from F²AST and it's going to take a while to award SbAST, how is this workload being handled now?

Answer: The requirement teams have the option of issuing individual contracts for their requirements or finding other contract vehicles that may be available.

Industry Feedback

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Question: Ogden has expressed interest in participating in SbAST. Will they be considered?

Answer: This is a WR-ALC only contract.

Industry Feedback

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Question: In a Joint Venture can a large business be a subcontractor?

Answer: Yes. However, the amount and type of work proposed to be performed by a large business may result in the prime contractor being declared large by affiliation (ostensible subcontracting). If your completed Minimum Capabilities Matrix includes only a large business in any particular cell, the risk of being declared large by affiliation increases as the prime contractor must demonstrate that it can perform at least 50% of the work.

NOTE: Contact **your** SBA District Office for further information regarding affiliation/ostensible subcontracting rules and determinations.

Industry Feedback

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Notes:

- 50% of the work performed by the prime must be demonstrated in each of the following proposal submissions:
  - Pricing Proposal (Labor & Material distribution)
  - Technical Proposal (MCM)
  - Past Performance information (Details to be provided in the RFP)
- The Government intends to award without discussions.
- We strongly suggest that everyone go to their SBA for teaming approval.
- Go to www.SBA.gov for your SBA district office directory.
- The distinction between an 8a Joint Venture and this effort: 8a Joint Venture must be approved by SBA. This effort will be approved by WR-ALC/JA (legal office).

Summary

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- Next Information Exchange
  - March 18, 2009
    - **1:30** – 3:30 p.m.
  - Museum of Aviation
    - Robert L. Scott Theatre (Vista Scope)

Program Information

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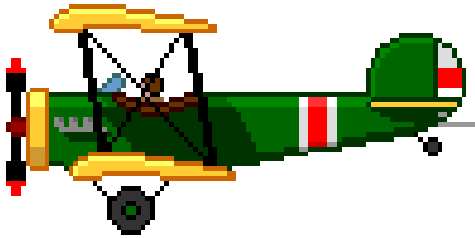
Small Business Acquisition and Sustainment Tool (SbAST) Program Web Site



http://www.robins.af.mil/library/factsheets/factsheet.asp?id=11544

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